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OFFICIALS EXPRESS DOUBTS ON CASEY

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WASHINGTON, March 7 — Reagan Administration officials familiar with William J. Casey's recovery from a malignant brain tumor said today that he appeared unlikely to be able to answer questions that investigators still have about the Iran arms affair.

Their update on the condition of Mr. Casey, the former Director of Central Intelligence, comes amid new details about how President Reagan provided excerpts from his private diary to the special Presidential review board on the Iran affair.

The board, headed by former Senator John G. Tower, said in its report Feb. 26 that Mr. Reagan had reviewed his personal diary at the board's request and culled from it notes pertaining to the Iran affair. The board was permitted to review, but not to keep, a typewritten copy of these selected diary entries, the report said.

Administration officials, amplifying that today, said neither White House nor commission officials were allowed to monitor Mr. Reagan's diary to assure that the account he presented was an accurate reflection of the events that occurred. Moreover, the officials said, Mr. Reagan supplied entries for only the approximate dates that the board cited in its request.

Excerpts Mentioned Hostages

The officials acknowledged that such an arrangement raised questions about the entries Mr. Reagan supplied. One official who has seen the excerpts, which he said had many references to a desire to gain the freedom of American hostages held in Lebanon, said there was no evidence that Mr. Reagan gave the Tower board misleading information.

But the official acknowledged that it was impossible to say so conclusively definitively since no one other than the President is known to have seen the actual diary. The official noted that the excerpt for the day Robert C. McFarlane resigned as national security adviser said simply: "Bud resigned today."

Getting a complete picture of the sale of arms to Iran and how proceeds were funneled to the Nicaraguan rebels has been greatly complicated by Mr. Casey's illness. Mr. Casey testified in early December before the Senate Select Committee on Intelligence, but some committee members thought his answers were evasive. He was scheduled to reappear before the panel on Dec. 15 but was rushed that day to Georgetown University Hospital after what his doctors said was a "minor cerebral seizure."

'It's Pretty Depressing'

A malignant tumor was removed from the left side of Mr. Casey's brain on Dec. 18, and since then, officials at the White House and the Central Intelligence Agency have been uncertain about whether he will again testify on the Iran dealings, which the staff of the National Security Council conducted with the assistance of the Central Intelligence Agency. Mr. Casey never appeared before the Tower review board.

Mr. Casey was released from the hospital on Feb. 28 and is recuperating at home, according to a spokesman for the agency.

Administration officials familiar with his current state said that he was trying to recover his speech skills but that his condition over all seemed to go up and down. "It's pretty depressing," said a senior Central Intelligence Agency official. "Mrs. Casey has been shielding him a lot and he doesn't know a lot of what's happened since his operation."

"He dozes; he can't focus his attention at times," the official continued. "At other times he's lucid and animated."

The official and others said there was no way Mr. Casey could verbally respond to questions from investigators. "He can talk but not very fast and has difficulty with complicated thoughts," the official said.

A Letter About Shultz

An Administration official disclosed that Mr. Casey had written a letter to Mr. Reagan in late November asserting that he was not being well-served by Secretary of State George P. Shultz. The letter was sent after Mr. Shultz and Donald T. Regan, who was the White House chief of staff, had met privately with the President to voice concern that he was being misled about some aspects of the secret dealings.

"The letter had some complaints about Shultz and whether Shultz was toeing the Administration's line and adequately supporting the President in his time of travail," the official said. "It suggested that the President would do well with a Secretary of State more in tune with him."

The official said that Mr. Shultz was angry when he found out about the letter several months later.

As for the Reagan diary, Administration officials said it was unlikely that the diary mentioned conversations between the President and Lieut. Col. Oliver L. North, the key figure in the diversion scheme. Officials have said that the President had only one telephone call with Colonel North, shortly after he was dismissed from the staff of the National Security Council.

A Meeting After Iran Trip

The officials said Mr. Reagan did meet with Colonel North and a small group of other senior aides shortly after a secret diplomatic mission to Tehran last May. Also attending the session were Mr. McFarlane and Howard J. Teicher, of the National Security Council staff, both of whom were on the trip, and Mr. Regan, and Vice Adm. John M. Poindexter, at the time the national security adviser.